

SECTION 2. Section 288.0032, Health and Safety Code, is repealed.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

Passed by the House on April 23, 2015: Yeas 137, Nays 2, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 2476 on May 18, 2015: Yeas 118, Nays 13, 1 present, not voting; passed by the Senate, with amendments, on May 13, 2015: Yeas 31, Nays 0.

Approved May 29, 2015.

Effective May 29, 2015.

**LICENSING AND APPOINTMENT OF TITLE INSURANCE
ESCROW OFFICERS; CHANGING THE LIMIT APPLICABLE
TO A FEE; AUTHORIZING A FEE**

CHAPTER 232

H.B. No. 2491

AN ACT

relating to licensing and appointment of title insurance escrow officers; changing the limit applicable to a fee; authorizing a fee.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Sections 2652.001, 2652.002, and 2652.006, Insurance Code, are amended to read as follows:

Sec. 2652.001. LICENSE AND BOND OR DEPOSIT REQUIRED. An individual may not act as an escrow officer unless the individual:

- (1) holds a license issued by the department; ~~and~~
- (2) is covered by ~~maintains~~ a surety bond or deposit required under Subchapter C; *and*
- (3) is appointed under Section 2652.1511 as an escrow officer by a title insurance agent or direct operation.

Sec. 2652.002. EMPLOYMENT OF ESCROW OFFICER. (a) A title insurance agent or direct operation may not employ an individual as an escrow officer unless the individual:

- (1) holds a license issued by the department;
- (2) is covered by ~~and maintains~~ a surety bond or deposit as required under Subchapter C; *and*
- (3) is appointed under Section 2652.1511 as an escrow officer by the title insurance agent or direct operation ~~by this chapter~~.

(b) A title insurance agent or direct operation may not permit an individual to act as an escrow officer in this state before the agent or direct operation has complied with Sections 2652.151 and 2652.1511 ~~[2652.152]~~ with respect to the individual.

Sec. 2652.006. RECORD OF ESCROW OFFICERS; *PUBLIC INFORMATION*. (a) The department shall maintain a record of ~~[the name and address of]~~ each escrow officer licensed by the department in a manner that ensures that the escrow officers employed *and appointed under Section 2652.1511* by any title insurance agent or direct operation in this state may be conveniently determined.

(b) *The department shall make available to the public from the records maintained*

under Subsection (a) or from other records of the department each escrow officer's name, license number, continuing education compliance status, and appointment history.

SECTION 2. Section 2652.051(a), Insurance Code, is amended to read as follows:

(a) Before an initial license is issued to an individual to act as an escrow officer in this state for a title insurance agent or direct operation, the *individual* ~~[title insurance agent or direct operation]~~ must file an application for an escrow officer's license with the department on forms provided by the department *and the title insurance agent or direct operation must file an appointment of the escrow officer under Section 2652.1511.*

SECTION 3. Section 2652.052(b), Insurance Code, is amended to read as follows:

(b) License ~~[fees]~~ and renewal fees collected under *this chapter and appointment fees collected under Section 2652.1511* ~~[Section 2652.152]~~ shall be deposited to the credit of the Texas Department of Insurance operating account to be used by the department to enforce this chapter and any other law of this state that regulates escrow officers for title insurance agents or direct operations.

SECTION 4. Sections 2652.055 and 2652.056, Insurance Code, are amended to read as follows:

Sec. 2652.055. LICENSE TERM. Unless a system of staggered license renewal is adopted *or required under Chapter 4003* ~~[under Section 4003.002]~~, a license expires on the second June 1 following the date of issuance.

Sec. 2652.056. PROCEDURE FOR LICENSE RENEWAL. *An individual may renew an unexpired escrow officer license by:*

(1) *submitting to the department on a form provided by the department a completed application, signed and sworn by the individual, stating that the applicant is an individual who is a bona fide resident of this state or a state adjacent to this state; and*

(2) *paying to the department a renewal fee in an amount set by the department* ~~[AUTOMATIC TERMINATION OF LICENSE. The license of each escrow officer employed by a title insurance agent or direct operation that surrenders its license or has its license revoked by the department is automatically terminated without notice].~~

SECTION 5. Section 2652.058, Insurance Code, is amended by adding Subsection (g) to read as follows:

(g) *Continuing education programs to satisfy the requirements of this section must be certified under Subchapter C, Chapter 4004. The department may enter into an agreement with an independent contractor as authorized by Section 4004.104 to certify and register the programs and providers of those programs.*

SECTION 6. Section 2652.101(a), Insurance Code, is amended to read as follows:

(a) A title insurance agent or direct operation shall obtain, at its own expense, a bond for its escrow officers *appointed under Section 2652.1511* payable to the department. The bond shall obligate the principal and surety to pay for any pecuniary loss sustained by the title insurance agent or direct operation through an act of fraud, dishonesty, forgery, theft, embezzlement, or wilful misapplication by an escrow officer, either directly and alone or in conspiracy with another person.

SECTION 7. Section 2652.151(a), Insurance Code, is amended to read as follows:

(a) A title insurance agent or direct operation shall certify to the department, not later than the expiration date of the title insurance agent's or direct operation's license, the name and address of each individual employed *and appointed under Section 2652.1511* by the title insurance agent or direct operation to serve as an escrow officer in this state.

SECTION 8. Subchapter D, Chapter 2652, Insurance Code, is amended by adding Section 2652.1511 to read as follows:

Sec. 2652.1511. APPOINTMENT OF ESCROW OFFICER. (a) *An escrow officer may be employed and appointed by more than one title insurance agent or direct operation.*

(b) *Before an escrow officer may act in that capacity for a title insurance agent or direct*

operation, the title insurance agent or direct operation must appoint the escrow officer and file the escrow officer's appointment with the department on the electronic or nonelectronic form provided by the department.

(c) The appointment form must:

(1) be accompanied by a nonrefundable appointment fee;

(2) certify that:

(A) the escrow officer is a bona fide employee of the title insurance agent or direct operation making the appointment; and

(B) the title insurance agent or direct operation has an office in this state;

(3) be signed and sworn to by the title insurance agent or direct operation and by the escrow officer; and

(4) acknowledge that the escrow officer is covered by a surety bond or deposit required under Subchapter C.

(d) The appointment of the escrow officer expires on the revocation, termination, or non-renewal of the escrow officer's license or termination of the escrow officer's employment with the title insurance agent or direct operation that made the appointment.

(e) Unless otherwise notified by the department, the escrow officer may act as an escrow officer for the appointing title insurance agent or direct operation after:

(1) the second business day after the date the appointment is submitted to the department electronically; or

(2) the eighth business day after the date the appointment is submitted to the department on a nonelectronic form.

SECTION 9. Section 2652.153, Insurance Code, is amended to read as follows:

Sec. 2652.153. NOTICE OF TERMINATION. A title insurance agent or direct operation that terminates the employment of a licensed escrow officer shall:

(1) immediately notify the department in writing of the termination and request cancellation of the appointment under Section 2652.1511 [license]; and

(2) notify the escrow officer of the action by the title insurance agent or direct operation.

SECTION 10. Section 2652.203, Insurance Code, is amended by amending Subsections (a) and (d) and adding Subsection (e) to read as follows:

(a) The department shall notify a license holder of a disciplinary action or enforcement action against the license holder not later than the 30th business day after the date the department assigns a file number to the action, except that this subsection does not apply to a file or action:

(1) that is the subject of a pending criminal investigation or prosecution; or

(2) about which the ~~[deputy commissioner of the title division of the]~~ department makes a good faith determination that there is a credible suspicion that there are ongoing or continuing acts of fraud by a person who is the subject of the action.

(d) The department may provide information about an enforcement action, including a copy of a notice issued under this section, to each title insurance agent or direct operation with which an escrow officer has, or proposes to obtain, an appointment under Section 2652.1511 [employment].

(e) Except as prohibited by Chapter 552, Government Code, or any other law, on the date an enforcement action against an escrow officer becomes final, the department shall provide information about the action, including a copy of a commissioner's order or department warning issued under this section, to each title insurance agent or direct operation for which the escrow officer holds appointment under Section 2652.1511.

SECTION 11. Sections 2652.057(b) and 2652.152, Insurance Code, are repealed.

SECTION 12. The changes in law made by this Act apply only to the issuance or re-

newal of the license of an escrow officer on or after January 1, 2016. The issuance or renewal of a license before January 1, 2016, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 13. This Act takes effect September 1, 2015.

Passed by the House on April 23, 2015: Yeas 131, Nays 5, 5 present, not voting;
passed by the Senate on May 15, 2015: Yeas 30, Nays 1.

Approved May 29, 2015.

Effective September 1, 2015.

**CERTAIN QUALIFIED RESIDENTIAL RENTAL ASSISTANCE
PROJECTS FINANCED BY PRIVATE ACTIVITY BONDS**

CHAPTER 233

H.B. No. 2878

AN ACT

relating to certain qualified residential rental assistance projects financed by private activity bonds.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 1372.002, Government Code, is amended by adding Subsections (f) and (g) to read as follows:

(f) Notwithstanding Subsection (c), an applicant to which this subsection applies may aggregate more than one qualified residential rental project into a single, combined project as part of the participation of the housing authority for the applicable municipality in the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development, as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the combined project is related to the municipal housing authority's conversion of public housing units as permitted under that program.

(g) Subsection (f) applies only to an applicant created by a municipal housing authority established by a municipality that is adjacent to an international boundary of this state and that is located in a county with a population of more than 800,000.

SECTION 2. Section 1372.006(a), Government Code, is amended to read as follows:

(a) An application for a reservation under Subchapter B or a carryforward designation under Subchapter C must be accompanied by a nonrefundable fee in the amount of \$500, except that:

(1) for projects that include multiple facilities authorized under Section 1372.002(e), the application must be accompanied by a nonrefundable fee in an amount of \$500 for each facility included in the application for the project; ~~and~~

(2) for issuers of qualified residential rental project bonds the application must be accompanied by a nonrefundable fee of \$5,000, of which the board shall retain \$1,000 to offset the costs of the private activity bond allocation program and the administration of that program and of which the board shall transfer \$4,000 through an inter-agency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program as provided by Section 2306.259; and

(3) for a combined project that includes multiple qualified residential rental projects authorized under Section 1372.002(f), the application must be accompanied by a nonrefundable fee in an amount of \$5,000 for each qualified residential rental project included in the application for the combined project, the total amount of which the